



**MID-YEAR
PERFORMANCE ASSESSMENT REPORT
FOR THE PERIOD
1 JULY 2023 TO 31 DECEMBER 2023**



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

CONTENTS

OVERVIEW OF THE FINANCIAL STATE OF AFFAIRS OF BITOU MUNICIPALITY FOR THE MID-YEAR ENDED 31 DECEMBER 2023	4
1. FINANCIAL POSITION	4
1.1 Assets	4
1.2 Liabilities	4
1.3 Net Assets	4
1.4 Conclusion on financial position	4
2. FINANCIAL PERFORMANCE	5
2.1 Revenue	5
3. EXPENDITURE	8
3.1 Employee cost	8
3.2 Bulk purchases	9
3.3 Other expenditure items	9
3.4 Total expenses	10
3.5 Conclusion on financial performance	10
4. DEBTORS MANAGEMENT	10
5. CREDITORS MANAGEMENT	11
6. CASH FLOW AND INVESTMENT MANAGEMENT	11
7. CAPITAL SPENDING	12
8. PROGRESS ON THE VOLUNTARY FINANCIAL RECOVERY PLAN	13
9. CONCLUSION	13
SERVICE DELIVERY PERFORMANCE PLANNING	14
10. LEGISLATIVE OVERVIEW	14
11. CREATING A CULTURE OF PERFORMANCE	14
12. LINK TO THE IDP AND THE BUDGET	15
12.1. Performance indicators set in the approved Top Layer SDBIP for 2022/23 per strategic objective	15
13. BUDGET SPENDING PER IDP STRATEGIC OBJECTIVE	30
MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2023/24	34
14. OVERALL ACTUAL PERFORMANCE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2023	34
14.1 Actual performance per strategic objective of indicators for the mid-year ending 31 December 2023	36
14.2. Actual performance per strategic objective of indicators for the mid-year ending 31 December 2023	36
15. ADJUSTMENT OF THE TOP LAYER SDBIP FOR 2023/24	45
16. ANNUAL REPORT 2022/23	45



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

LIST OF TABLES47

LIST OF FIGURES47

LIST OF GRAPHS47

ACKNOWLEDGMENT OF RECEIPT BY THE MAYOR48



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

OVERVIEW OF THE FINANCIAL STATE OF AFFAIRS OF BITOU MUNICIPALITY FOR THE MID-YEAR ENDED 31 DECEMBER 2023

1. FINANCIAL POSITION

1.1 ASSETS

Current Assets has slightly decreased from R536,2 million as at 01 July 2023 to an amount of R519,3 million current assets represent cash at hand, investments, and outstanding debtors, inclusive of the annual billing for property rates, refuse removal and sanitation services which are due on a monthly basis.

Cash and cash equivalents have decreased from R145,1 million as at 01 July 2023 to R 132.1 million as at 31 December 2023. The amount consists mainly of short-term investments amounting to R98.6 million and cash amounting to R33.5 million.

Non-current assets, which includes property plant and equipment increased from R1.255 billion as at 01 July 2023 to R1.263 billion as at 31 December 2023 as a result of acquisitions of vehicles and spending on infrastructure in the current financial year.

In total assets reflect a slight decrease from R1.792 billion as at 01 July 2023 to R 1.783 billion as at 31 December 2023.

1.2 LIABILITIES

Current liabilities have increased from R 348.4 million as at 01 July 2023 to an amount of R353.5 million as at 31 December 2023, this increase mainly represent unspent conditional grants and creditors payments that have been invoiced but are not yet due for payment.

Non-current liabilities amount to R158.9 million as at 31 December 2023

Non-current liabilities represent outstanding borrowing (loans that were taken up for capital purchases in previous financial years) amounting to R81.5 million and the provision for long-term employee benefits in the amount of R77.5 million.

1.3 NET ASSETS

Net assets have decreased slightly, from R1.280 billion as at 01 July 2023 to R1.270 billion as at 31 December 2023.

1.4 CONCLUSION ON FINANCIAL POSITION

There is a slight improvement in the overall financial position since the commencement of the financial year, yet it remains concerning as best practice financial ratios have not yet been achieved. The current ratio as at 31 December 2023 is below the best practice benchmark of between 2 and 3, at 1.47:1 meaning current assets are 1.47 times more than current liabilities. It is clear that there are barely sufficient cash resources available to fund operations in the short- as well as medium term and a concerted effort remain necessary to ensure a complete turnaround of the financial position over the next few years.

The figures included in the report has been adjusted to account for the anomalies that we are experiencing with the integration to the new SCM, bank reconciliation module and Web functionality of



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

the Solvem Financial Management System and therefore differs from the monthly budget schedules extracted from the financial system for the year-to date as contained in the report for the month of December 2023.

2. FINANCIAL PERFORMANCE

2.1 REVENUE

2.1.1 Own revenue raised.

Total revenue is underperforming by 5% compared to the budgeted target for the financial year with property rates adequately performing after the phasing out of rebates in respect of properties valued above R1 million. Service charges reflect an overall underperformance which can be ascribed to a combination of an over-estimation of the revenue trends based on prior year data, coupled with the economic reality impacting on consumption patterns, the effect of loadshedding as well as the growing number of subsidized customers recorded in the 2023/2024 financial year.

Electricity is underperforming with approximately 6% in comparison to the approved budget after departmental allocations have been accounted for. The prolonged load shedding remains a point of concern and the reduction in availability of electricity is expected to continue to negatively impact on this revenue source. The effect of SSEG (Small Scale Embedded Generation) on the electricity revenue streams has not yet been accurately determined, yet it is unavoidable not to recognize the impact thereof on the electricity revenue generated by the municipality.

Water revenue is 6% lower than the year-to-date budget. The expected increase in consumption during the summer period will only reflect at the conclusion of the January 2024 billing cycle and it might therefore be necessary to reduce this revenue source slightly downward. It must be recognized that the area experienced a higher-than-average rainfall season which contribute to this revenue source underperforming.

Refuse revenue and Sanitation revenue is underperforming by 18% and 5% respectively compared to budgetary predictions and a downward adjustment for these revenue sources might be necessary.

Own Revenue performance against budget is alluded to in the table hereunder:

Revenue Source	Comment
Rates	A positive YTD variance exists, the removal of rebates to customers with a property value above R1 million and the reduction in the rebate amount to individuals whose property value is between R350 000 and R1 million, coupled with the annual rates levied as well as the supplementary valuation roll that still needs to be implemented means the actual billing projected over the remainder of the financial year may be under estimated and an upward adjustment to this source of revenue may be necessary.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Revenue Source	Comment
Electricity	A negative YTD variance of 6% due to continuous loadshedding and longer downtime due to the different loadshedding stages. A decrease in units consumed is expected over the remainder of the financial year as the peak season has passed and the summer usually means less electricity usage. The effect of SSEG may also have impacted on this revenue source. It is recommended to adjust revenue targets downward in the adjustments budget.
Water	A negative YTD variance of 6% is reported and as we are in the summer peak period an increase in consumption is expected, however it still needs to be determined whether it will be sufficient to meet the anticipated budgeted revenue. Climate change cannot be ruled out as a factor influencing the revenue trends and a downward adjustment in respect of this revenue source will be prudent as part of the mid-year budget adjustment process.
Sewerage charges	<p>A negative YTD variance of 5% is reported for the first half of the year. The revenue item is being monitored as a result of its under-performance in the previous financial year and a concerted effort through the revenue enhancement program is underway to ensure that the revenue targets will be met. It is expected that the revenue enhancement program will add to increasing the revenue source over the remainder of the budget period.</p> <p>It should be noted that the increase in the number of registered indigents that are fully subsidised in respect of a single household connection also impacts significantly on the year-to-date performance. Consideration will be given to a downward adjustment of this category of revenue in the adjustment budget even after taking into account the positive effect of the revenue enhancement program.</p>
Refuse charges	A negative YTD variance of 18% is evident however this category of revenue forms part of the initial main focus of the revenue enhancement program. Through simple revenue enhancement assessments by management, it is clear that not all customers are charged correctly for the volumes of refuse generated and that there are various anomalies in respect of the level of service rendered compared to the charges applied. A concerted effort will need to be made in the remainder of the financial year to ensure this revenue



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Revenue Source	Comment
	source is performing adequately as the municipality has invested a sizeable amount of capital for improving this function. The revenue in respect of this category of income will also be considered for downward adjustment in the revised budget.
Traffic Fines	A negative YTD variance of 8% as a result of the income recognition for November and December that will only reflect in January 2024. The estimated value of these two months is equivalent to R8.2 million, which will lead to an overperformance of the revenue source. It is anticipated that this source will gain even more momentum over the next few months and a determination will be made on whether it will exceed the anticipated budgeted amount for the remainder of the financial year after which an adjustment to the revenue item may need to be considered.
Interest earned: Outstanding Debtors and External Investments	Interest earned on external investment and outstanding debtors' revenue as at end of December 2023 amounts to R5.1 million and R8.5 million respectively, while the YTD budget amounts to R2.5 million and R6.6 million respectively. The municipality's investment program is bearing fruits and the resulting in a positive YTD variance of 106%. Although the interest on outstanding debtors is over performing, it is doubtful that the municipality would be able to collect it. An upward adjustment in respect of these revenue sources needs to be considered.
Operational revenue (Exchange Revenue)	A positive YTD variance of 570% is recorded. The major contributor of this revenue source is development charges. The other contributing factors are building plan approval fees, town planning fees and fire services charges. The revenue in respect of this category of income will also be considered for an upward adjustment in the revised budget.

2.1.2 Transfer revenue - Grants

Revenue from Transfers and Subsidies amount to R114.2 million as at 31 December 2023. Revenue from Transfers and Subsidies is under performing by 6%. Operational transfers are in line with budgetary predictions for the current financial year and will only be adjusted in accordance with additional revenues allocated in the DORA Amendments Bill or Government Gazette.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

3. EXPENDITURE

3.1 EMPLOYEE COST

Employee related cost as at end of December 2023 amounts to R136.9 million, while the YTD budget amounts to R166.7 million. This translates to an under performance of 18%, however it must be pointed out that the provisions for employee benefits still needs to be debited based on the annual actuarial valuations which will only be performed during June 2024. The main factor contributing to the under-spending remains the vacant positions that have not been filled to date. The revision of the organogram may also have an impact on the spending of this expenditure item.

The expenditure for overtime exceeds the budgetary allocation for the year to date and a special effort will be necessary to reduce the trend of expenditure. It is recommended that an overtime reduction strategy be implemented to manage the overtime downward over the remainder of the financial year.

An effort has been made to prevent a further escalation in employee cost and to ensure that the recommended ratio of employee cost to total expenditure is not exceeded. The new organisational structure that is currently considered would most probably have an impact on the total salary cost, yet positions will only be filled after careful consideration of the adequacy of the budget being available coupled to the impact on service delivery.

The EPWP grant funds as at December 2023 is 92% spent. EPWP programs can successfully be completed in the current year. Own funding contribution towards EPWP programs is currently sitting at 34% and based on current spending it should be sufficient for the remainder of the financial year.

Considering the aforementioned, an adjustment of this expenditure item will be necessary.

More detail in respect of salary related items is provided in the table below.

Salary Item	Comment
Basic Salary	The total expenditure for this item amounts to R 86 360 million or 49% of the total budget for basic salary. A slight saving on basic salaries as at 31 December 2023 is recorded, representing 3% of the budget.
Overtime	Overtime is currently sitting at 70% spent of the total budgetary allocation which is above the norm of 50% for the year to date and considering the current trend for this item, an upwards adjustment would be recommended to prevent overspending. The result of this upwards adjustment will mean that savings need to be identified on vacant positions that were budgeted for and are not yet filled. The implementation of an overtime reduction strategy is at this stage unavoidable and a concerted effort from all departments is necessary to manage the expenditure on this item downward. Certain sections have already overspent and an adjustment is therefore necessary.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Standby Allowance	62% of the total budgetary allocation was spent, this is also above the norm of 50% for the year to date. This line item will need to be adjusted based on the current trend with sections such as Engineering already being overspent.
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3.2 BULK PURCHASES

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of December 2023 amounts to R86.9 million compared to R105.2 million YTD budget, thus reporting an under performance of 17%. Payment of Eskom invoices are due 30 days after the invoice was issued. After considering the December Eskom account, the variance on this item equals 3%. The current trend of expenditure points towards an underspending upon the conclusion of the financial year. The continued and persistent loadshedding is also resulting in a reduction of units purchased coupled with the effect of SSEG customers generating their own electricity, it may be necessary to adjust this item downward in the adjustment budget.

3.3 OTHER EXPENDITURE ITEMS

The table hereunder highlights a few items where the original budgeted amounts may require reconsideration as a result of current actual performance and an adjustment budget is therefore recommended and unavoidable.

Expenditure Item	Comment
Contracted Services	Expenditure as at the end of December 2023 amount to R19.9 million and is under-performing by 60% when compared to the YTD budget of R49.8 million. The under expenditure remains constant and it is still anticipated that this category of expenditure will increase towards the conclusion of the financial year, however a downward adjustment will still be considered where it is evident that funds will not be spent.
Subsistence and travelling	The year-to-date expenditure for this item amounts to R 801 182 or 30% of the total budgeted amount, this is below annual budgetary predictions. This expenditure item will be closely monitored to ensure that the actual expenditure remains within the budgetary allocation.
Debt Impairment	Impairment is currently underspent by 100% due to the calculation only being conducted at year end as part of the financial statement



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Expenditure Item	Comment
	preparation process. Budgeted spending will be moved to the final period of the year, where actual expenditure will occur.

3.4 TOTAL EXPENSES

In total, expenditure is below the year-to-date budget. Consideration will be given to adjust the expenditure in accordance with current performance as reported in the tables above, as well as to incorporate the virements processed to date. It must be taken into consideration that the allocation of provisions and reserves still needs to be done which will bring down the current year to date surplus.

3.5 CONCLUSION ON FINANCIAL PERFORMANCE

In total the year-to-date revenue is slightly below the year-to-date budget and expenditure is also below the year-to-date budget. Based on the current trend an operating surplus is still anticipated for the 2023/2024 financial year. Considering the aforementioned explanations, it is concluded that an adjustment budget will be necessary to adjust both revenue and expenditure projections as alluded to above.

4. DEBTORS MANAGEMENT

The debtors' book of the municipality reflects an amount of R 250.8 million outstanding for longer than 121 days and a total outstanding amount of R318.1 million with total write-offs amounting to R33.9 million for the period ended 31 December 2023.

A concerted effort has been made to reduce the debtor's book by cutting and restricting services of defaulting customers, the municipality has in addition to the restriction and cut-off of services handed over defaulting customers to collection agents which has contributed to an increase in the collection rate. A lot of effort is still required to reduce the total outstanding debt and to increase the debtors collection rate to 90% and above. Areas of concern are the following:

- ☹ New Horizons with a debtors collection period of nearly 15 months.
- ☹ Kwanokuthula with a debtors collection period of 17 months.
- ☹ Farm areas with a debtors collection period of 3 months.
- ☹ Kranshoek is a matter of great concern with R93.9 million being owed to the Municipality with a debt collection period of approximately 4 and a half years.
- ☹ Kurland is also concerning with R40.8 million being outstanding and a debt collection period also of 4 and a half years.
- ☹ Green valley with a debtors collection period of 4 and a half years is also a concern.
- ☹ The remainder of Bitou suburbs owe a total of R64.5 million which translates to a debt collection period of just under 2 months.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

The contributors to these huge debts still remains the household debt which represents 96.63% of the total debt, followed by businesses with 2.85% and organs of state contributing 0.52%. It is clear from the aforementioned debtors collection days that the Eskom Electricity distribution areas remain a challenge to the municipality in respect of the collection of debt. Credit control action will be focused in these areas, especially in respect of owners letting their properties to tenants and where rates accounts are not paid.

The municipality has monthly debt collection strategies to help ensure that outstanding revenue is collected, which include blocking prepaid electricity for users in arrears and applying water restrictions in arrears where Eskom is the electricity distributor. Customers are informed prior to these actions being implemented by way of a disconnection notice. Disconnection notices are sent monthly out to all customers with outstanding accounts after the due date which is 7th of every month, this has also proved not to be sufficiently effective.

Incentive schemes offered to customers are still available yet have proved to have little impact and alternative measures will be explored in an attempt to increase the collection rate.

The collection by collection agents has added an amount of approximately R2.9 million to the cash flow.

The average collection rate for the month ended December 2023 is 88% which is 2% below the budgeted collection rate for the financial year, considering all the current collection strategies, we are still positive that the collection target of 90% for the 2023/24 financial year will be achieved.

A huge effort remains necessary to reach collection levels that meet the best practice norm of 95% and that will ensure the financial sustainability of the municipality in the long term.

5. CREDITORS MANAGEMENT

Outstanding creditors amount to R38.7 million. The trade payables include current commitments not yet due in respect of payments to service providers as well as other payables, accruals and unallocated deposits received in the municipal bank account. All current creditors are paid strictly in terms of the legislative requirements being 30 days from date of invoice.

6. CASH FLOW AND INVESTMENT MANAGEMENT

Cash and cash equivalents have increased from R95.1 million as at 01 July 2023 to R 132.1 million as at 31 December 2023. Interest earnings have increased due to improved cash management being applied and the budget for this item will be adjusted upwards in accordance with current performance. The municipality has sufficient funds available to meet the current commitments as well as to fund operations in the short term. The cost coverage ratio equals 2 months indicative of the fact that insufficient liquid resources (cash and cash equivalents) are available to pay for operational expenses in the medium term. The benchmark is 3 months indicating that the municipality has not yet reached the required liquidity levels. An additional amount of R 50 million in cash and cash equivalents is necessary to meet the best practice norm.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

7. CAPITAL SPENDING

The table underneath gives the year-to-date capital expenditure excluding commitments that were raised as at 31 December 2023, per vote. Capital Expenditure for the month of December amounts to R5.3 million and YTD expenditure as at end of December 2023 amounts to R27.9 million.

It is concerning that the total year-to-date spending represents only 25% approved capital budget which means the majority of projects are under-performing, the expenditure pattern over the last number of years indicate that where departments fail to meet a 40% target in actual spending in the second quarter, it usually results in an underspending of the budget and a results in a failure to complete the projects in a budget year. Where a failure to complete projects is evident in upon the mid-year assessment, consideration will be given to the budget being forfeited or adjusted to more realistic amounts.

It is noted that spending has slightly improved from the previous months report and it is further anticipated that there will be an improvement in spending over the remainder of the financial year. The commitments (shadow balances) loaded on the financial management system amounts to R25.6 mil, which translates to 21% of the total capital budget. It is crucial to prioritise spending on conditional grants as historic trends in slow spending has resulted in departments having to apply for rollover of funds to the next financial year, this presents a risk to the municipality as these applications are at times rejected causing the municipality to use own funds in the completion of projects. It was already communicated by the Department of COGTA that approval will not be granted for any MIG rollovers for funds that remain unspent upon the conclusion of the current financial year.

The table hereunder illustrate the current capital spending performance.

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 3 - Community Services		1 685	4 780	4 780	-	-	2 390	(2 390)	-100%	4 780
Vote 4 - Corporate Services		2 086	1 016	1 016	10	231	508	(277)	-54%	1 016
Vote 7 - Engineering Services		39 622	40 959	42 894	2 637	7 598	21 447	(13 849)	-65%	42 894
Total Capital Multi-year expenditure	4,7	43 393	46 755	48 690	2 647	7 829	24 345	(16 516)	-68%	48 690
Single Year expenditure appropriation	2									
Vote 2 - Office of the Municipal Manager		-	1 000	1 000	-	-	500	(500)	-100%	1 000
Vote 3 - Community Services		5 563	835	1 686	-	449	843	(394)	-47%	1 686
Vote 4 - Corporate Services		59	561	561	9	19	281	(262)	-93%	561
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	-	-	152	(152)	-100%	304
Vote 7 - Engineering Services		35 356	59 977	84 223	2 644	19 566	42 111	(22 545)	-54%	84 223
Total Capital single-year expenditure	4	41 414	62 677	87 775	2 652	20 034	43 887	(23 853)	-54%	87 775
Total Capital Expenditure	3	84 807	109 432	136 464	5 300	27 863	68 232	(40 369)	-59%	136 464



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

It is clear from the aforementioned that adjustments to the capital budget may be necessary in the mid-year revision of the budget.

8. PROGRESS ON THE VOLUNTARY FINANCIAL RECOVERY PLAN

The voluntary financial recovery plan was adopted by Council and various components thereof were implemented, the programs receiving the main focus are the implementation of the credit control and debt collection strategy, budgeting and expenditure management, liability management as well as the revenue enhancement strategy.

The credit control implementation and debt collection enforcement have added to an improved collection rate, with the average collection rate being 88% as at 31 December 2023. The municipality managed to record a collection percentage of 98.8% in the month of November being the best performing month over the last 7 years. This remain a focus and we are on track and confident that the annual budgeted collection rate of 90% will be achieved.

Budgeting and expenditure management has contributed to the adoption of a Long Term Financial Plan (LTFP), the implementation of cost savings and austerity measures and ensuring value for money considerations are made in all SCM processes. Various expenditure items are being monitored to effect savings and improve cash flow.

Liability management has improved by adopting a capital funding mix strategy as detailed in the LTFP, whereby liquidity is protected and a more balanced funding mix used over the MTREF.

The revenue enhancement strategy is in the early stage of implementation, yet additional revenue to the amount of approximately R3 Million in service charges and assessment rates have been discovered. We are confident that it will further improve over the remainder of the current as well as the next financial year, ultimately saving the customers from additional tariff increases.

9. CONCLUSION

The financial performance as at end of December 2023 has improved from the commencement of the current financial year. The current cash flow is sufficient to sustain operations in the short and medium term, however the long term sustainability remains a concern. The current ratio is below the best practice norm and require an improvement to ensure long term financial sustainability. Cash resources, although improved, remain under strain and a further improvement in the liquidity position require continued focus.

Management is continuously implementing action to further enhance the cash flow position through savings and austerity measures and the application of the cost containment and austerity measures. The budget and other financial reports are being monitored to ensure that financial targets are met as anticipated in the annual approved budget.

It must be acknowledged that a further improvement is necessary to ensure the successful rolling out of the capital program for the financial year and that a continued effort is necessary to further increase the collection of debt owed to the municipality and to enhance existing municipal revenue streams.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Further austerity and savings measures, especially in respect of the growing overtime cost will need to be applied to aid in the improvement of the financial performance and position of the municipality. The implementation of the financial recovery plan, especially the revenue enhancement strategy, receives dedicated attention to aid in the financial turnaround and to ensure that financial viability and long-term sustainability will be attained. It is expected that the results of the revenue enhancement program will be evident towards the end of the 3rd quarter of the current as well as the following financial year.

Taking into consideration all the revenue and expenditure trends as well as the other financial information and results contained in the report, it can be concluded that a mid-year adjustments budget will be necessary.

SERVICE DELIVERY PERFORMANCE PLANNING

10. LEGISLATIVE OVERVIEW

In terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act (MFMA) No. 56 of 2003 the Accounting Officer must by 25 January of each year assess the performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1)(b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54(1)(f) of the MFMA.

The Mayor approved the Top Layer Services Delivery and Budget Implementation Plan (SDBIP) for 2023/24 on 07 July 2022 in terms of Section 53(1)(c)(ii) of the MFMA, MFMA Circular No. 13 and the Budgeting and Reporting Regulation, which include the Municipality's key performance indicators (KPI's) for 2023/24.

11. CREATING A CULTURE OF PERFORMANCE

a) Performance Framework

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." This framework, inter alia, reflects the linkage between the Integrated Development Plan (IDP), Budget, SDBIP and individual and service provider performance.

b) Monitoring Performance

The Municipality utilizes an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI's by documenting the following information on the performance system:

- The actual result in terms of the target set
- The output/outcome of achieving the KPI
- The calculation of the actual performance reported (If %)



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved
- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated

Performance results are monitored and reviewed in terms of:

- Quarterly KPI monitoring sessions held by the Municipal Manager with all managers
- Quarterly reports tabled before the Portfolio Committees of the Mayor
- Quarterly reports tabled before the Executive Mayoral Committee and Council

12 LINK TO THE IDP AND THE BUDGET

The Municipality identified the following strategic objectives based on the inputs from the community in the 5-year IDP:

- Build a capable, corruption-free administration that is able to deliver on developmental mandate
- Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns
- Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development
- Universal access to decent quality of services
- Spatially integrate areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities
- Eradicate poverty and uplift previously disadvantaged communities, promote social cohesion
- An active and engaged citizenry, able to engage with and shape the municipality's programme

12.1. PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2022/23 PER STRATEGIC OBJECTIVE

12.1.1 Build a capable, corruption-free administration that is able to deliver on developmental mandate

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL1	Submit the Risk Based Audit Plan (RBAP) for the 2024/25 financial year to the Audit	Risk Based Audit Plan compiled and submitted to the Audit Committee	Whole Municipal Area: All	1	0	0	0	1	1



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	Committee by 30 June 2024								
TL2	Complete 90% of audits as scheduled in the RBAP applicable for 2023/24 by 30 June 2024 (Actual audits completed divided by the audits scheduled for the year) x100	% of audits completed	Whole Municipal Area: All	99%	0%	25%	45%	90%	90%
TL3	Complete the annual risk assessment for 2024/25 and submit to the CAE by 31 March 2024	Risk assessment completed and submitted to the CAE	Whole Municipal Area: All	1	0	0	1	0	1
TL5	Conduct the Mid-year Performance Evaluations of the section 57's employees by 28 February 2024	Number of evaluations completed	Whole Municipal Area: All	1	0	0	1	0	1
TL6	Conduct the Final Performance Evaluation of the section 57's employees for the 2022/23 by 30 December 2024	Number of evaluations completed	Whole Municipal Area: All	1	0	1	0	0	1



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL8	Review the Organisational Structure by 30 May 2024	Organisational Strustucure reviewed by 30 May 2024	Whole Municipal Area: All	1	0	0	0	1	1
TL18	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2024 {(Number of people from employment equity target groups	% of people employed	Whole Municipal Area: All	90%	0%	0%	0%	70%	70%
TL19	Spend 0.20% of operational budget on training by 30 June 2024 {(Actual total training expenditure divided by total operational budget)x100}	% budget spent	Whole Municipal Area: All	0.19%	0%	0%	0%	0.20%	0.20%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL20	Review the "System of Operational Delegations" and submit to Council by 30 June 2024	System of operational delegations submitted to Council	Whole Municipal Area: All	0	0	0	0	1	1
TL21	Spend 95% of the allocated capital budget for ICT by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	0%	40%	60%	95%	95%
TL22	Spend 95% of the allocated capital budget for the back-up power and solar project by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	0%	40%	60%	95%	95%
TL23	Review the HR Strategy and Plan and submit to Council by 30 May 2024	HR Strategy and Plan reviewed and submitted to Council by 30 May 2024	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	0	0	0	1	1



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL24	Develop and submit a Talent Management Framework to Council by 31 March 2024	Talent Management Framework developed submitted to Council by 31 March 2024	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	0	0	0	1	1
TL43	Review and submit the Disaster Management Plan to Council by 31 May 2024	Disaster Management Plan reviewed and submitted to Council	Whole Municipal Area: All	1	0	0	0	1	1

Table 1: Build a capable, corruption-free administration that is able to deliver on development mandate

12.1.2 Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL7	Spend 95% of the municipal capital budget on capital projects by 30 June 2024 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% budget spent	Whole Municipal Area: All	83%	10%	40%	60%	95%	95%
TL14	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024 (Short Term Borrowing + Bank Overdraft + Short Term Lease +	% of debt to revenue	Whole Municipal Area: All	14.92%	0%	0%	0%	20%	20%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100								
TL15	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	Whole Municipal Area: All	9.37%	0%	0%	0%	11.80%	11.80%
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) as per Circular 71	Number of months it takes to cover fix operating expenditure with available cash	Whole Municipal Area: All	1.57	0	0	0	1.2	1.2
TL17	Achieve a debtor payment percentage of 90% by 30 June 2024 (Gross Debtors Closing	% debtor payment achieved	Whole Municipal Area: All	84%	0%	0%	0%	90%	90%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100								
TL25	Limit unaccounted for water to less than 30% by 30 June 2024 {(Number of Kilotres Water Purchased or Purified - Number of Kilotres Water Sold) / Number of Kilotres Water Purchased or Purified x 100}	% water losses	Whole Municipal Area: All	35.85%	0%	0%	0%	30%	30%
TL26	Limit unaccounted for electricity to less than 12% as at 30 June 2024 {(Number of units purchased - Number of units Sold (incl free basic electricity) / Number of units purchased) X100}	% unaccounted electricity	Whole Municipal Area: All	9.29%	0%	0%	0%	12%	12%

Table 2: Manage expenditure prudently, grow revenue base and build long term financial sustainable so as to invest in social and economic development

12.1.3 Provision of basic services

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL9	Provide subsidies for free basic services to indigent households as at 30 June 2024	Number of indigent households receiving subsidies for free basic services as per	Whole Municipal Area: All	4 132	0	0	0	3 404	3 404



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
		Financial System							
TL10	Number of residential properties with piped water which can be/or are connected to the municipal water infrastructure network and billed for the service as at 30 June 2024	Number of residential properties billed for piped water	Whole Municipal Area: All	16 615	0	0	0	11 893	11 893
TL11	Number of residential properties with electricity which can be/or are connected to the municipal electrical infrastructure network(credit and prepaid electrical metering and excluding Eskom areas) and billed for the service as at 30 June 2024	Number of residential properties billed credit meter and prepaid meters connected to the network	Whole Municipal Area: All	14 750	0	0	0	12 500	12 500
TL12	Number of residential properties with sanitation services to which can be/or are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water	Number of residential properties which are billed for sewerage	Whole Municipal Area: All	14 872	0	0	0	12 750	12 750



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	closets (toilets) as at 30 June 2024								
TL13	Number of residential properties for which refuse can be removed/ or is removed from, once per week and billed for the service as at 30 June 2024	Number of residential properties which are billed for refuse removal	Whole Municipal Area: All	14 841	0	0	0	12 500	12 500
TL27	Spend 95% of the approved capital budget for Waste Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	Whole Municipal Area: All	90%	10%	40%	60%	95%	95%
TL28	Spend 95% of the approved capital budget for Electrical & Mechanical services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	Whole Municipal Area: All	99%	10%	40%	60%	95%	95%
TL29	Spend 95% of the approved capital budget for Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount	% budget spent	Whole Municipal Area: All	68%	10%	40%	60%	95%	95%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	budgeted)x100} (excluding Fleet)								
TL30	Spend 95% of the approved capital budget for Roads & Storm Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	Whole Municipal Area: All	90%	10%	40%	60%	95%	95%
TL31	Spend 100% of MIG Funding allocation by 30 June 2024 {(Total actual MIG expenditure /Total MIG amount budgeted)x100}	% budget spent	Whole Municipal Area: All	60%	10%	40%	60%	100%	100%
TL32	Spend 95% of the allocated capital budget for Fleet Management by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	10%	40%	60%	95%	95%
TL33	Conduct 700 potential electricity theft investigations annually by 30 June 2024	Number of inspections conducted	Whole Municipal Area: All	839	175	175	175	175	700
TL34	Spend 95% of the budget allocated for the upgrade of the Kurland WTW (from	% budget spent	Whole Municipal Area: All	74%	10%	40%	60%	95%	95%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	0.6ml to 1.2ml) by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}								
TL35	Spend 95% of the budget allocated for the Plett WTW New Clear Water Pumpstation by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	52%	10%	40%	60%	95%	95%
TL36	Spend 95% of the budget allocated for the electrification of informal settlements(Bossiesgif; Qolweni and Kurland) by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	75%	20%	60%	95%	0%	95%
TL37	Spend 95% of the allocated capital budget for the Keurbooms upgrade of electrical network by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	20%	40%	60%	95%	95%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
TL38	Spend 95% of the allocated capital budget for the Brakkloof new 20MVA 66/11KV TRF by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	20%	40%	60%	95%	95%
TL39	Spend 95% of the allocated capital budget for the electrification of 204 households for Ebenezer Phase A by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	20%	40%	60%	95%	95%
TL40	Spend 95% of the allocated capital budget for the 11KV links from Kwano to Ladywood by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	20%	40%	60%	95%	95%
TL41	Spend 95% of the allocated capital budget for the security fencing of the waste water plant by 30 June 2024 {(Total actual capital expenditure /Total	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual	20%	40%	60%	95%	95%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	capital amount budgeted)x100}			result available					
TL42	Spend 95% of the allocated capital budget for the upgrade of all gravel roads in Kranshoek with surfacing by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	20%	40%	60%	95%	95%
TL44	Spend 95% of the allocated budget for the Kurland Village - Waste Drop-Off Facility by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	0%	40%	60%	95%	95%
TL45	Spend 95% of the allocated budget for a 3 in 1 Compactor conversion for Skip loading and Hook-lift haulage by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	Whole Municipal Area: All	New Performance Indicator for 2023/24 and no comparative actual result available	0%	40%	60%	95%	95%
TL46	Spend 95% of the allocated capital budget for the upgrade of Kranshoek Sportfield floodlights by 30 June	% of budget spent	Whole Municipal Area: Ward 7	New Performance Indicator for 2023/24 and no comparative	0%	0%	60%	95%	95%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Annual
	2024{(Total actual capital expenditure /Total capital amount budgeted)x100}			actual result available					

Table 3: Provision of basic services

12.1.4 Spatial integrated areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2022/23	Target				
					Q1	Q2	Q3	Q4	Actual
TL47	Submit the reviewed Spatial Development Framework (SDF) to Council by 31 March 2024	Spatial Development Framework (SDF) submitted to Council	All	1	0	0	1	0	1
TL51	Review and submit the Housing pipeline to Council by 31 May 2024	Housing pipeline reviewed and submitted to Council	All	1	0	0	0	1	1

Table 4: Spatial integrated areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities

12.1.5 Grow local economy, create jobs, empower previously disadvantaged, transform ownership patters 2 Economic development of local economy

KPI Ref	KPI	Unit of Measurement	Region	Audited Actual performance 2021/22	Target				
					Q1	Q2	Q3	Q4	Annual
TL48	Review the LED Chapter (2024/25) and submit to Council for consideration by 31 May 2024	Reviewed LED Chapter submitted to Council	Whole Municipal Area: All	1	0	0	0	1	1
TL49	Review the LED Chapter Implementation Plan (2024/25) and	Reviewed LED Chapter Implementation	Whole Municipal Area: All	1	0	0	0	1	1



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

KPI Ref	KPI	Unit of Measurement	Region	Audited Actual performance 2021/22	Target				
					Q1	Q2	Q3	Q4	Annual
	submit to Council for consideration by 30 June 2024	Plan submitted to Council							
TL50	Create 225 job opportunities in terms of the EPWP by 30 September 2024	Number of job opportunities created	Whole Municipal Area: All	492	56	56	56	57	225

Table 5: Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns 2 Economic development of local economy

12.1.6 An active and engaging citizenry, able to engage with and shape the municipality's programme

KPI Ref	KPI	Unit of Measurement	Region	Audited Actual performance 2021/22	Target				
					Q1	Q2	Q3	Q4	Annual
TL4	Review and submit the 5th generation IDP for the 2024/25 financial year to Council by 31 May 2024	Draft IDP compiled and submitted to Council	Whole Municipal Area: All	1	0	0	0	1	1

Table 6: An active and engaging citizenry, able to engage with and shape the municipality's programme



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

13. BUDGET SPENDING PER IDP STRATEGIC OBJECTIVE

The table below provide an analysis of the budget per Municipal Strategic Objective

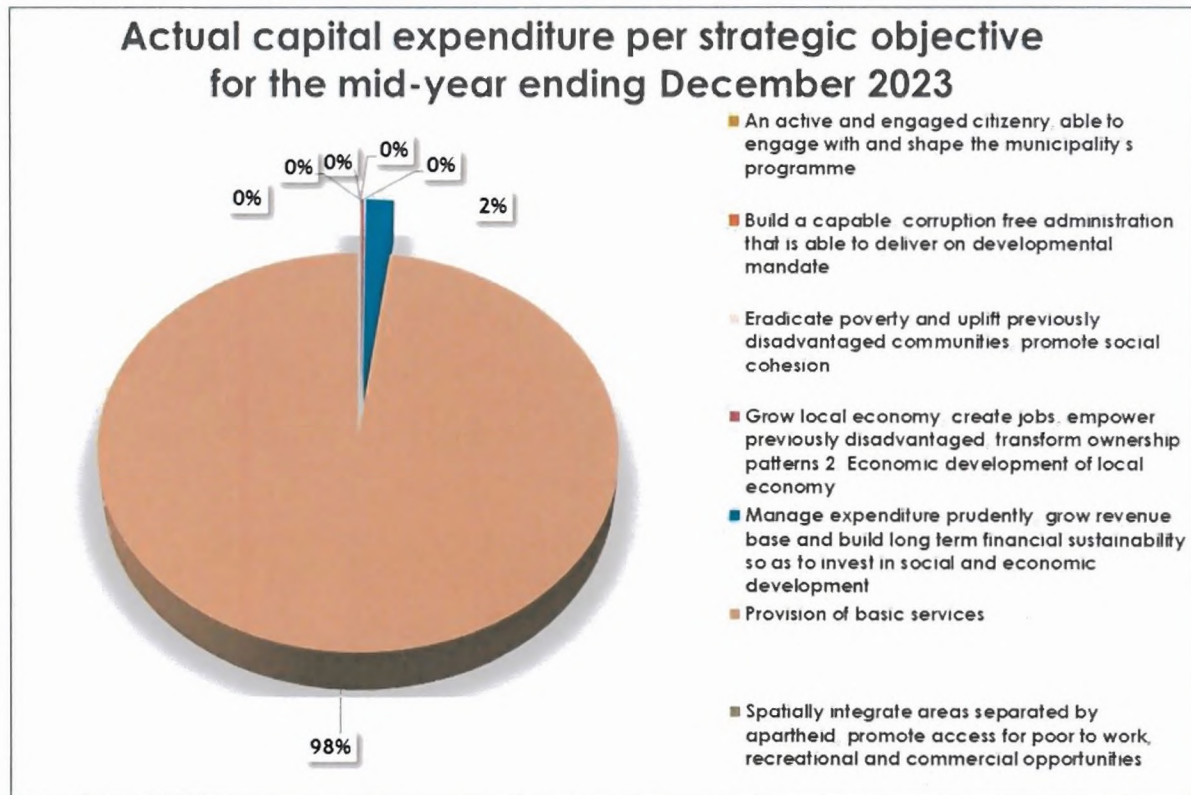
Municipal Strategic Objective		Capital Budget R'000	Operational Budget R'000
1	An active and engaged citizenry, able to engage with and shape the municipality's programme	0	9 777
2	Build a capable, corruption free administration that is able to deliver on developmental mandate	0	118 672
3	Eradicate poverty and uplift previously disadvantaged communities, promote social cohesion	0	81 964
4	Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns 2. Economic development of local economy	304	28 201
5	Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development	2 577	68 109
6	Provision of basic services	133 583	589 340
7	Spatially integrate areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities	0	8 704
Total		136 464	904 766

Table 7: Budget capital and operating expenditure (excluding internal transfers) per IDP Key Performance Area

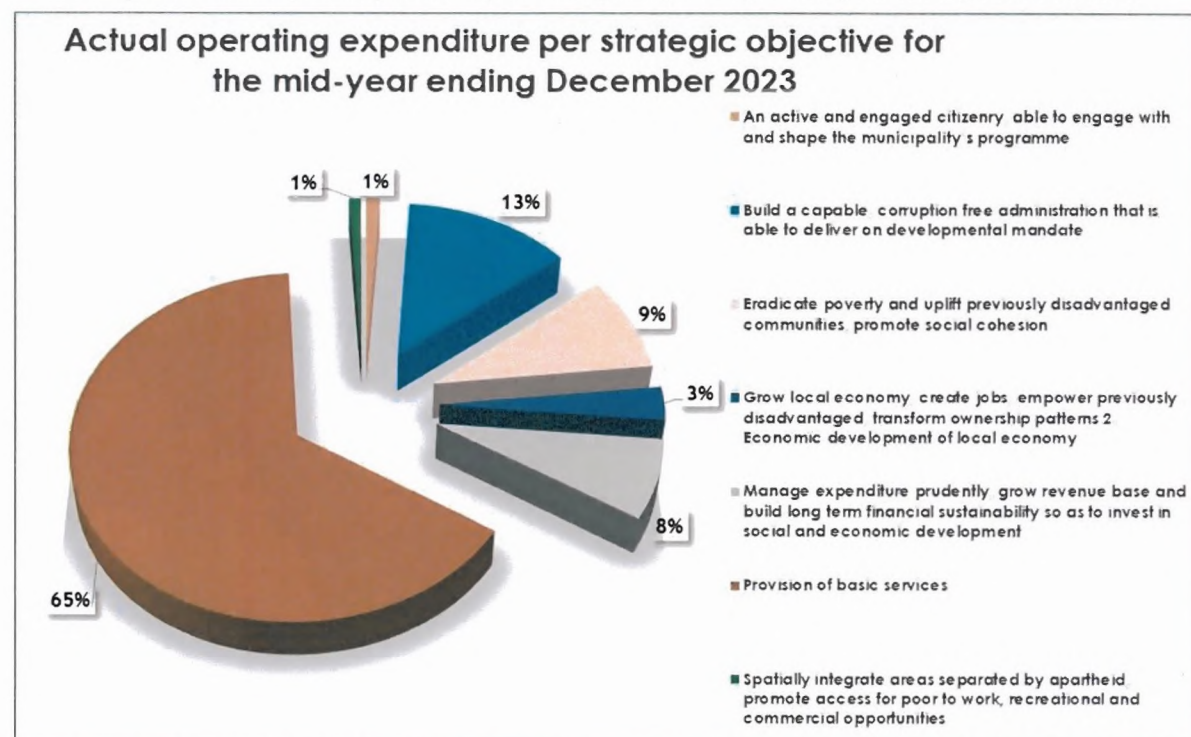


BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023



Graph 1: Actual capital expenditure per strategic objective for mid-year ending December 2023



Graph 2: Actual operating expenditure per strategic objective for mid-year ending December 2023



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

The table below provides an analysis of the actual budget spending per strategic objective for the mid-year ending 31 December 2023

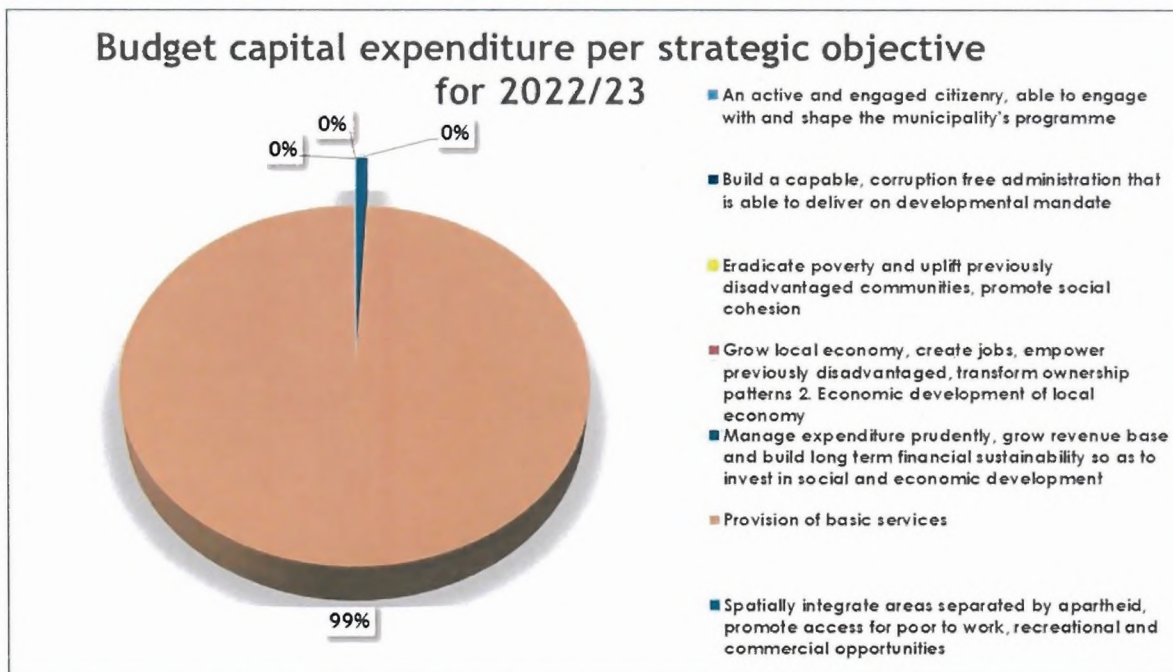
Municipal Strategic Objective		Capital Budget R'000	Operational Budget R'000
1	An active and engaged citizenry, able to engage with and shape the municipality's programme	0	5 124 392
2	Build a capable, corruption free administration that is able to deliver on developmental mandate	0	44 219 471
3	Eradicate poverty and uplift previously disadvantaged communities, promote social cohesion	0	31 211 351
4	Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns 2. Economic development of local economy	0	10 346 623
5	Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development	250	23 062 816
6	Provision of basic services	27 613	235 013 251
7	Spatially integrate areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities	0	598 673
Total		27 863	349 577

Table 8: Actual expenditure of capital and operating budget per IDP Key Performance Area

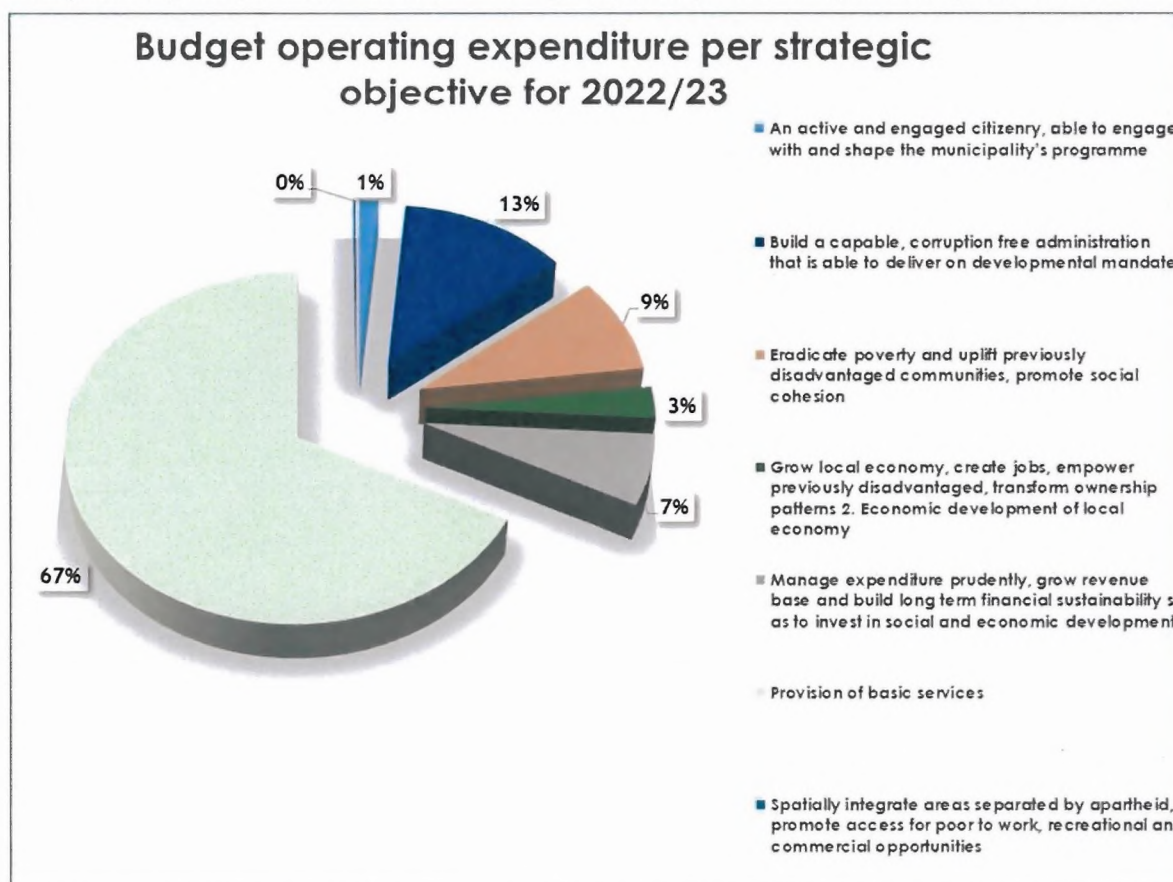


BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023



Graph 3: Budget capital expenditure per strategic objective for the mid-year ending December 2023



Graph 4: Budget operating expenditure per strategic objective for the mid-year ending December 2023



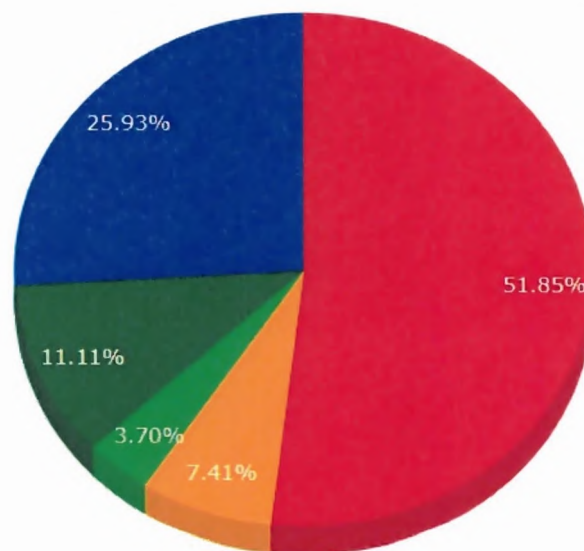
BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD
1 JULY 2023 TO 31 DECEMBER 2023

MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2023/24

14. OVERALL ACTUAL PERFORMANCE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2023

Bitou Municipality



Graph 5: Overall actual strategic performance

Bitou Municipality	Strategic Objective					TOTAL
	Build a capable, corruption free administration that is able to deliver on developmental mandate	Grow local economy, create jobs, empower previously disadvantaged, transform ownership. 2. Economic Development of local economy	Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development	Provision of basic services	Spatial integrate areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities	
KPIs not met	2	0	1	11	0	14
KPIs almost met	0	0	0	2	0	2
KPIs met	1	0	0	0	0	1
KPIs well met	0	0	0	3	0	3
KPIs extremely well met	1	3	0	2	1	7
Total:	4	3	1	18	1	27

Figure 1: Overall actual performance of indicators for the mid-year ending 31 December 2022



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Category	Colour	Explanation
KPI's Not Met	Red	0% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target >= 150%



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

14.1 ACTUAL PERFORMANCE PER STRATEGIC OBJECTIVE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2023

Detailed below is the unaudited Top Layer SDBIP for the first half of the financial year ending 31 December 2023 which measures the Municipality's overall performance per strategic objective. The tables, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

The Municipality met 40.74% (11 of 27) of the applicable KPI's for the period as at 31 December 2023. The remainder of the KPI's 59.26% (16 of 27 of the applicable KPI's) were not achieved as at 31 December 2023. 24 KPI's on the Top Layer SDBIP out of the total number of 51 KPI's do not have targets for this period and will be reported on in future quarters when they are due. The table below indicates the actual performance per KPI:

14.2. ACTUAL PERFORMANCE PER STRATEGIC OBJECTIVE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2023

14.2.1 *Building a capable corruption free administration that is able to deliver on developmental mandate*

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2021/22	Overall actual mid-year performance ended 31 December 2023				
					Q1	Q2	Target	Actual	R
TL2	Complete 90% of audits as scheduled in the RBAP applicable for 2023/24 by 30 June 2024 (Actual audits completed divided by the audits scheduled for the year) x100	% of audits completed	All	99%	0%	25%	25%	50%	B
TL6	Conduct the Final Performance Evaluation of the section 57's employees for the 2022/23 by 30 December 2024	Number of evaluations completed	All	1	0	1	1	1	G



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audit Actual performance of 2021/22	Overall actual mid-year performance ended				
					31 December 2023				
					Q1	Q2	Target	Actual	R
TL21	Spend 95% of the allocated capital budget for ICT by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	90%	0%	40%	40%	16%	R
Corrective Measure			The ICT Unit will adjust it's planning needs to be more realistic to the requirements of the organisation's needs and to ensure procurement processes are adhered to as agreed upon between the ICT Department and SCM Unit in order to streamline the procurement processes						
TL22	Spend 95% of the allocated capital budget for the back-up power and solar project by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	0%	0%	40%	40%	0%	R
Corrective Measure			The ICT Unit will follow-up with all parties involved to sign-off on the contract to ensure that the project can start						

Table 9: Build a capable, corruption free administration that is able to deliver on
Table 10: development mandate



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

14.2.2 Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended 31 December 2023				
					Q1	Q2	Target	Actual	R
TL7	Spend 95% of the municipal capital budget on capital projects by 30 June 2024 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% budget spent	All	83%	10%	40%	40%	25%	R
Corrective Measure			The Municipality has filled the critical positions such as Manager Electrical Services and Manager PMU which are the main drivers for the capital projects, the expenditure will now increase as the projects progress towards the end of the financial year						

Table 11: Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development

14.2.3 Provision of basic services

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended 31 December 2023				
					Q1	Q2	Target	Actual	R
TL27	Spend 95% of the approved capital budget for Waste Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	90%	10%	40%	40%	22%	R
Corrective Measure			Expenditure will increase in the third quarter						
TL28	Spend 95% of the approved capital	% budget spent	All	99%	10%	40%	40%	11%	R



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD

1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended				
					31 December 2023				
					Q1	Q2	Target	Actual	R
	budget for Electrical & Mechanical services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)								
Corrective Measure			Fill vacant positions or appoint contract appointments while HR is busy with recruitment process						
TL29	Spend 95% of the approved capital budget for Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	68%	10%	40%	40%	38%	O
Corrective Measure			Expenditure will increase in the third quarter						
TL30	Spend 95% of the approved capital budget for Roads & Storm Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	90%	10%	40%	40%	10%	R
Corrective Measure		Percentage capital expenditure will improve in the next quarter							



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended				
					31 December 2023				
					Q1	Q2	Target	Actual	R
TL31	Spend 100% of MIG Funding allocation by 30 June 2024 {(Total actual MIG expenditure /Total MIG amount budgeted)x100}	% budget spent	All	60%	10%	40%	40%	43%	G2
TL32	Spend 95% of the allocated capital budget for Fleet Management by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	10%	40%	40%	56%	G2
TL33	Conduct 700 potential electricity theft investigations annually by 30 June 2024	Number of inspections conducted	All	839	175	175	350	1 543	B
TL34	Spend 95% of the budget allocated for the upgrade of the Kurland WTW (from 0.6ml to1.2ml) by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	10%	40%	40%	26%	R
Corrective Measures			M&E tender process to be finalised and contractor to be appointed						
TL35	Spend 95% of the budget allocated for the Plett WTW New	% budget spent	All	52%	10%	40%	40%	42%	G2



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended				
					31 December 2023				
					Q1	Q2	Target	Actual	R
	Clear Water Pumpstation by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}								
TL36	Spend 95% of the budget allocated for the electrification of informal settlements(Bossiesgif; Qolweni and Kurland) by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	75%	20%	60%	60%	22%	R
Corrective Measure			Delays due to challenges with purchase order are being addressed						
TL37	Spend 95% of the allocated capital budget for the Keurbooms upgrade of electrical network by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	20%	40%	40%	0%	R
Corrective Measure			Contractor to commence with construction once construction resumes in 2024						
TL38	Spend 95% of the allocated capital	% budget spent	All	New performance	20%	40%	40%	0%	R



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended				
					31 December 2023				
					Q1	Q2	Target	Actual	R
	budget for the Brakkloof new 20MVA 66/11KV TRF by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}			indicator for 2023/24 and no actual comparative result available					
Corrective Measure			Contractor was asked to submit quotation. Appointment will be finalised and construction will commence once quote has been vetted						
TL39	Spend 95% of the allocated capital budget for the electrification of 204 households for Ebenezer Phase A by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	20%	40%	40%	38%	○
Corrective Measure			Contractor on site and works underway						
TL40	Spend 95% of the allocated capital budget for the 11KV links from Kwano to Ladywood by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	20%	40%	40%	0%	R
Corrective Measure			Item to be removed not on Capex Budget						



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended 31 December 2023				
					Q1	Q2	Target	Actual	R
TL41	Spend 95% of the allocated capital budget for the security fencing of the waste water plant by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	20%	40%	40%	92%	B
TL42	Spend 95% of the allocated capital budget for the upgrade of all gravel roads in Kranshoek with surfacing by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	20%	40%	40%	0%	R
Corrective Measure			Project progressing well, internal challenges to be resolved so that financial and physical progress match up. Expenditure will increase during the third quarter						
TL44	Spend 95% of the allocated budget for the Kurland Village - Waste Drop-Off Facility by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	0%	40%	40%	0%	R



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended				
					31 December 2023				
					Q1	Q2	Target	Actual	R
Corrective Measure			Contingency plans in place for spending of budget contractor will double its capacity to do more work						
TL45	Spend 95% of the allocated budget for a 3 in 1 Compactor conversion for Skip loading and Hook-lift haulage by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	New performance indicator for 2023/24 and no actual comparative result available	0%	40%	40%	0%	R
Corrective Measure			Invoices was submitted to expenditure for payment						

Table 12: Provision of basic services

14.2.4 Spatially integrated areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities

Ref	KPI	Unit of Measurement	Wards	Audited Actual performance of 2022/23	Overall actual mid-year performance ended 31 December 2023				
					Q1	Q2	Target	Actual	R
TL51	Review and submit the Housing pipeline to Council by 31 May 2024	Housing pipeline reviewed and submitted to Council	All	New key performance indicator for 2022/23. No comparative results available	0	0	0	1	B

Table 13: Spatially integrated areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

14.2.5 Grow local economy, create jobs empower previously disadvantaged, transform ownership patterns 2. Economic development of local economy

KPI Ref	KPI	Unit of Measurement	Region	Audited Actual performance 2021/22	Overall actual mid-year performance ended 31 December 2022				
					Q1	Q2	Target	Actual	R
TL48	Review the LED Chapter (2024/25) and submit to Council for consideration by 31 May 2024	Reviewed LED Chapter submitted to Council	All	1	0	0	0	1	B
TL49	Review the LED Chapter Implementation Plan (2024/25) and submit to Council for consideration by 30 June 2024	Reviewed LED Chapter Implementation Plan submitted to Council	All	1	0	0	0	1	B
TL50	Create 225 job opportunities in terms of the EPWP by 30 September 2024	Number of job opportunities created	All	492	56	56	112	274	B

Table 14: Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns 2. Economic development of local economy

15. ADJUSTMENT OF THE TOP LAYER SDBIP FOR 2023/24

In terms of Section 27(2)(b), when submitting an adjustments budget to the National Treasury and the relevant provincial treasury in terms of Section 28(7) of the MFMA read together with Section 24(3) of the MFMA, the Municipal Manager must also submit the amended SDBIP, within ten working days after the Council has approved the amended plan in terms of Section 54(1)(c) of the MFMA.

The Top Layer SDBIP will be revised if needed and submitted with the Adjustments Budget to Council with the necessary motivation where KPI targets require amendment as a result of the Adjustments Budget and/or corrections as a result of the audit outcomes of 2022/23.

16. ANNUAL REPORT 2022/23

The draft Annual Report of the 2022/23 financial year will be tabled on or before 31 March 2024.

As prescribed in Section 72(1)(a)(iii) of the MFMA the Accounting Officer must assess the performance of the Municipality in the first 6 months taking into account the past year's Annual Report and progress on



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD 1 JULY 2023 TO 31 DECEMBER 2023

resolving the problems identified in the Annual Report. Council has appointed a Municipal Public Accounts Committee (MPAC), who will compile an oversight report.

This report will subsequently include a summary of comments and conclusions on the Annual Report of the Municipality and will include one or more of the following:

- Misstatements in the Financial Statements
- Material under spending of the budget
- Planned key performance indicators not achieved
- Non-compliance with laws and regulations
- Assessment by Internal Audit on predetermined objectives
- Financial management
- Governance

The Annual Performance Report is currently being audited by the Auditor-General. The final draft will only be sent to the Auditor-General for final verification during the course of January 2024, therefore the final report will be scrutinized for accuracy, reliability and correctness not only by the management team but also by the Auditor-General prior to tabling to Council.



BITOU MUNICIPALITY

PERFORMANCE REPORT FOR THE MID-YEAR PERIOD

1 JULY TO 31 DECEMBER 2023

LIST OF TABLES

Table 1: Build a capable, corruption-free administration that is able to deliver on development mandate	19
Table 2: Manage expenditure prudently, grow revenue base and build long term financial sustainable so as to invest in social and economic development.....	21
Table 3: Provision of basic services.....	28
Table 4: Spatial integrated areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities.....	28
Table 5: Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns 2 Economic development of local economy	29
Table 6: An active and engaging citizenry, able to engage with and shape the municipality's programme.....	29
Table 7: Budget capital and operating expenditure (excluding internal transfers) per IDP Key Performance Area.....	30
Table 8: Actual expenditure of capital and operating budget per IDP Key Performance Area.....	32
Table 9: Build a capable, corruption free administration that is able to deliver on.....	37
Table 10: development mandate	37
Table 11: Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development	38
Table 12: Provision of basic services.....	44
Table 13: Spatially integrated areas separated by apartheid, promote access for poor to work, recreational and commercial opportunities.....	44
Table 14: Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns 2. Economic development of local economy	45

LIST OF FIGURES

Figure 1: Overall actual performance of indicators for the mid-year ending 31 December 2022____	34
---	----

LIST OF GRAPHS

Graph 1: Actual capital expenditure per strategic objective for mid-year ending December 2023_	31
Graph 2: Actual operating expenditure per strategic objective for mid-year ending December 2023 _____	31
Graph 3: Budget capital expenditure per strategic objective for the mid-year ending December 2023_	33
Graph 4: Budget operating expenditure per strategic objective for the mid-year ending December 2023 _____	33
Graph 5: Overall actual strategic performance _____	34




**Municipal Finance Management Act:
Sections 72(1)(a)(ii)**

Submission by the Municipal Manager

The assessment of the municipality's service delivery performance for the first half of the financial year is herewith submitted in terms of Section 72(1)(a)(ii) of the Municipal Finance Management Act (MFMA). This submission further serves to inform the Executive Mayor that an adjustment budget will be tabled to council.

Print Name Mbulelo Memani

MUNICIPAL MANAGER OF BITOU MUNICIPALITY

Signature 

Date 22-01-2024

Acknowledgment of receipt by the Mayor

Print Name Dave Swan

MAYOR OF BITOU MUNICIPALITY

Signature 

Date 22/1/24